

State of the City Address: Mayor Mike Cassinelli

January 2011

As we begin this New Year, I am reminded that 120 years ago the town of Ilwaco was officially incorporated as a city. The first settlers in this area were drawn by the prospect of free land, good fishing, hunting and lumber.

Residents and visitors alike continue to be drawn to this beautiful part of Washington State. With affordable housing, unlimited recreational opportunities and the best fishing on the west coast, the City of Ilwaco has a lot to offer people of all ages.

Right now, the city and county are recovering from several economically painful years. With Pacific County unemployment rates improving from 12.2% in 2009 to 10.3% in 2010, we are still far from the 2008 rate of 7.3%. Although economists say the worst of the recession is behind us, the forecast is for a modest recovery over the next few years. The council and I are committed to keeping the city on track through these challenging times.

When I was elected mayor last year, my top priority was to implement strategies for citywide fiscal responsibility by stopping the drain on city reserves and starting to rebuild them. Today, my commitment to our financial health remains my number one focus.

The bottom line: The city needs to control government spending. We must not spend more than we have. In 2010, your council and mayor implemented this strategy by reducing staff. City employees have made sacrifices by foregoing raises, and they are going the extra mile by making do with fewer personnel. However, we must continue the fiscal discipline we began in 2010 to get our city back on track. As medical and pension expenses continue to rise, Councilmembers Greene and Marshall of the Personnel Committee and Finance Committee will be looking at various ways to manage increasing costs for the 2012 budget.

Another way the council implemented this strategy was to conclude the outstanding issues on the Fire Hall insurance reimbursement by participating in mediation. By settling this insurance claim, the city was able to pay down debt and avoid future litigation and interest charges. On a more positive note, the city also received a FEMA grant for the Fire Department to purchase new fire hoses and appliances. Based on our Citizen Satisfaction Survey, you were most satisfied with how the city responds to fire and emergency incidents and rated it most important. In 2011, Councilmembers Chin and Jensen will continue to pursue additional fire prevention and safety grants to fund training, safety and more.

Obtaining grant funding for roads was also a priority in 2010, and will continue as a priority in 2011. Maintaining city roads and sidewalks was the top area for improvement you identified in

our survey. In 2010, the city received two state Transportation Improvement Board grants—one for over \$600,000 to rebuild School Street and the other for a \$99,000 overlay project on Brumbach. While these grants will help, the council is aware that many other roads and sidewalks need improving, including those in Vandalia and Baker Bay, and the Lake Street sidewalks. Councilmembers Forner and Jensen of the Streets, Storm Drains and Sidewalks Committee will continue to work with staff to explore funding options to help improve our infrastructure. A stormwater ordinance to help establish and fund a stormwater utility is currently being investigated. You identified providing adequate storm drainage as your number three area for improvement in our survey. A utility is one way the city can fund this type of improvement.

During 2010, the Black Lake Steering Committee utilized a \$21,500 grant from the Department of Ecology to develop a Black Lake Integrated Aquatic Vegetation Management Plan. This project helped educate the public to prevent further spread of invasive aquatic species that have diminished the lake's recreational and irrigation use. An additional \$125,000 grant has also been granted by Ecology to eradicate the invasive species, which dominates 70% of the lake and impacts cranberry farms economically and hampers recreational use for fishing, kayaking, swimming and boating. A newly formed Parks Commission, which will be appointed in 2011, will assist staff with managing this grant, along with other parks and recreation projects.

Another area that has been a victim of the sluggish economy is local tourism, which generates occupancy tax. In 2011, the allotments from the City of Ilwaco for the Long Beach Peninsula Visitors Bureau and Ilwaco Merchants Association were reduced due to declining lodging tax collections. Councilmembers Chin and Forner of the Marketing Committee worked hard to divide the dollars available in 2011 to support local advertising and events.

Also related to a community's viability is economic development and creating living wage jobs, which you identified in our survey as one of your top two priorities for your tax dollars. In 2011, the Planning Commission will be working diligently to complete the Comprehensive Plan, which is the official statement adopted by the City Council setting goals and policies to protect the health, welfare, safety, and quality of life for Ilwaco's residents. In addition, CREST was hired as the city planner at the end of 2010 to help ensure that developers, businesses and residents can move forward with projects efficiently and in the best interest of the citizens.

Finally, I'd like to address an area that was a critical issue in 2010: water and sewer service and rates. As I am sure you are aware, the issue of water quality has been a major concern to both the citizens and staff. One issue the city has struggled with in the past is deferred maintenance. In an effort to keep rates low for a number of years, infrastructure and maintenance have suffered. In 2010, the council made some tough, but necessary decisions regarding utility funding. An equalization ordinance was implemented for permanent residences at RV parks, motels and

apartments, and rates were raised. While this has generated some necessary revenue to repair or upgrade our systems to ensure good quality water, it will take time for these revenues to catch up to some of the needed repairs. Consequently, our customers have experienced issues with discoloration of water throughout the year, and in particular late this past summer and fall. The city is working diligently with the Department of Health to replace filters, pumps and other equipment at the water plant to address these issues. While I can't promise you the city won't continue to have issues with water quality this year, I can promise you that this is one of my top priorities in 2011.

The council has been working with a consultant to complete a water and sewer rate study. This study has evaluated how much our utilities need to operate and looked at rate structures that will be fair to both our residential and commercial customers. The council expects to implement the results of this study in 2011, and we will be providing you with further details. As mentioned previously, the council will also be considering a stormwater utility in early 2011, and I encourage you to attend any meetings or hearings regarding these issues. Based on our survey, over half of those taking the survey attended at least one City Council meeting in 2010. I'd like to encourage even more of you to stay informed in 2011 by getting involved.

On December 13, 2010, the City Council passed a budget that we feel addresses the challenges the city faces in the most fiscally responsible manner. While some, if not all of you, continue to struggle in these tough economic times, I am asking that you remember the city struggles along with you. The city will do everything we can to keep our fees and rates as reasonable as possible, but at the end of the day we still need to operate and maintain our facilities and services without letting our infrastructure deteriorate any further.

As the city and council go forward this year, we will do our best to communicate with you through mailings, our website, and even our Facebook page. The more the city can communicate with you electronically, the more money we can save. Eight-seven percent of you who responded to our survey indicated you have internet access. I encourage you to go online to our website at www.ilwaco-wa.gov and sign up for updates. If you sign up for our SMS feed on our Facebook page, you will also receive breaking news on your cell phone or email.

As we look forward to a New Year in Ilwaco, I encourage you to get involved and get informed about your city. Together, we can continue to make this a great place to raise a family, retire or just enjoy all this area has to offer. The mayor and council look forward to your input in 2011.